

UNITED WAY OF NORMAN, INC.
COMPILED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2024

UNITED WAY OF NORMAN, INC

JUNE 30, 2024

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes To Financial Statements	7
Internal Control and Compliance Reports:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Combined Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	19
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	21
Schedule of Expenditures of Federal Awards	23
Schedule of Findings and Questioned Costs	24

MICHAEL W. GREEN

Certified Public Accountant

827 WEST LOCUST STREET

STILWELL, OK 74960

918-696-6298

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Norman, Inc.
Norman, Oklahoma

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of United Way of Norman, Inc (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization, and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 25, 2025, on my consideration of the Organization's internal control over financial reporting and on my test of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Regards,



Michael W. Green, CPA
Stilwell, Oklahoma
March 25, 2025

UNITED WAY OF NORMAN, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS	<u>2024</u>
Current Assets	
Cash, cash equivalents, and restricted cash	\$ 1,406,693
Pledges receivable, net of allowance for uncollectible pledges of \$94,136	<u>493,894</u>
Total Current Assets	<u>1,900,587</u>
Other Assets	
Operating lease right-of-use assets, net	180,665
Fixed assets, net	<u>54,553</u>
Total Other Assets	<u>235,218</u>
Total Assets	<u>\$ 2,135,805</u>

LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 774
Payroll taxes payable	5,251
Accrued vacations	4,981
Operating lease current portion	15,072
Deferred support	37,000
Campaign allocations and designations payable	<u>920,289</u>
Total Current Liabilities	<u>983,367</u>
Long-term Liabilities	
Operating lease liability	<u>166,793</u>
Total Long-term Liabilities	<u>166,793</u>
Total Liabilities	<u>1,150,160</u>
Net Assets	
Without donor restrictions	890,648
With donor restrictions	<u>94,997</u>
Total Net Assets	<u>985,645</u>
Total Liabilities and Net Assets	<u>\$ 2,135,805</u>

The accompanying notes and auditor's reports are an integral part of these financial statements.

UNITED WAY OF NORMAN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Campaign revenue	\$ 1,593,933	\$ -	\$ 1,593,933
Less: Donor designations	(177,102)	-	(177,102)
Uncollected pledges expense	(91,351)	-	(91,351)
Net campaign revenue	1,325,480	-	1,325,480
Contract income	1,120,000	-	1,120,000
Other donations	-	79,065	79,065
In-kind donations	66,571	-	66,571
Interest income	40,715	-	40,715
	2,552,766	79,065	2,631,831
Satisfaction of time and program restrictions	85,651	(85,651)	-
Total revenues and other support	2,638,417	(6,586)	2,631,831
Expenses			
Functional expenses			
Net funds allocated to agencies	1,873,231	-	1,873,231
Community outreach	171,362	-	171,362
Resource development	225,625	-	225,625
Financial stability	45,959	-	45,959
Education council	48,130	-	48,130
Health council	71,637	-	71,637
Management and general	126,585	-	126,585
Total expenses	2,562,529	-	2,562,529
Change in net assets	75,888	(6,586)	69,302
Net assets, beginning of year	814,760	101,583	916,343
Net assets, end of year	\$ 890,648	\$ 94,997	\$ 985,645

The accompanying notes and auditor's reports are an integral part of these financial statements.

UNITED WAY OF NORMAN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Funds Allocated to Agencies	Programs						Management and General	Totals
		Community Outreach	Resource Development	Financial Stability	Education Council	Health Council	Total Program		
Gross funds awarded to agencies	\$ 925,289	-	-	\$ -	-	-	\$ -	-	\$ 925,289
ARPA funds distributed to agencies	1,120,000	-	-	-	-	-	-	-	1,120,000
Less: Donor designations	(172,058)	-	-	-	-	-	-	-	(172,058)
Net agency allocations	1,873,231	-	-	-	-	-	-	-	1,873,231
Salaries	-	91,575	63,423	26,991	29,003	37,159	71,578	248,151	319,729
Payroll taxes	-	6,744	5,113	2,025	2,177	2,792	5,731	18,851	24,582
Total personnel costs	-	98,319	68,536	29,016	31,180	39,951	77,309	267,002	344,311
Accounting fees	-	2,352	3,528	3,528	3,528	7,057	3,528	19,993	23,521
Campaign sponsorships	-	-	57,543	-	-	-	-	57,543	57,543
Depreciation expense	-	-	-	-	-	-	-	-	8,748
Dues - United Way of America	-	1,672	2,509	2,509	2,509	5,017	2,509	14,216	16,725
Dues and subscriptions	-	44	66	66	66	133	66	375	441
Equipment and repair	-	4,512	4,515	1,805	1,812	3,602	1,805	16,246	18,051
Emergency fund disbursements	-	1,552	-	-	-	-	-	1,552	1,552
In-kind donations	-	-	63,021	-	-	-	3,550	63,021	66,571
Insurance-health	-	5,916	5,160	1,784	1,784	2,678	12,069	17,322	29,391
Insurance-director liability	-	-	-	-	-	-	2,072	-	2,072
Insurance-other	-	171	133	44	44	89	1,674	481	2,155
Meeting expense	-	28	92	28	28	55	-	231	231
Miscellaneous expense	-	12,450	3,242	10	10	20	3,223	15,732	18,955
Office supplies	-	180	269	269	269	538	269	1,525	1,794
Postage	-	186	1,282	186	186	373	117	2,213	2,330
Public relations and marketing	-	-	6,004	-	-	-	-	6,004	6,004
Rent	-	2,520	3,780	3,780	3,780	7,560	3,780	21,420	25,200
Retirement	-	6,714	4,997	2,108	2,108	2,910	5,420	18,837	24,257
School supplies	-	34,156	-	-	-	-	-	34,156	34,156
Staff training and conferences	-	-	129	129	129	259	-	646	646
Telephone	-	182	273	273	273	545	272	1,546	1,818
Travel	-	375	497	375	375	752	125	2,374	2,499
Volunteer training and recognition	-	33	49	49	49	98	49	278	327
Total other expenses	-	73,043	157,089	16,943	16,950	31,686	49,276	295,711	344,987
Total expenses	\$ 1,873,231	\$ 171,362	\$ 225,625	\$ 45,959	\$ 48,130	\$ 71,637	\$ 126,585	\$ 562,713	\$ 2,562,529

The accompanying notes and auditor's reports are an integral part of these financial statements.

UNITED WAY OF NORMAN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>
Cash Flows From Operating Activities	
Change in net assets	\$ 69,302
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	
Depreciation	8,748
(Increase) decrease in operating right-of-use costs	1,200
(Increase) decrease in pledges receivable	82,294
Increase (decrease) in allowance for doubtful accounts	(9,192)
Increase (decrease) in accounts payable	(3,414)
Increase (decrease) in accrued salaries	2,181
Increase (decrease) in deferred revenue	32,500
Increase (decrease) in allocations payable	(261,711)
Increase (decrease) in other accrued liabilities	<u>534</u>
Total adjustments	<u>(146,860)</u>
Net Cash Provided (Used) by Operating Activities	<u>(77,558)</u>
Cash Flows From Investing Activities	
Purchases of fixed assets	<u>(2,500)</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,500)</u>
Net Increase (Decrease) in Cash	(80,058)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	<u>1,486,751</u>
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u>\$ 1,406,693</u>
<u>Supplemental Information</u>	
Cash	\$ 206,801
Cash equivalents	1,104,895
Restricted cash	<u>94,997</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 1,406,693</u>

The accompanying notes and auditor's reports are an integral part of these financial statements.

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2024

Note 1 - Description

United Way of Norman, Inc. (the Organization) began in 1957 as The United Fund of Norman, Inc. United Way of Norman, Inc. was incorporated as a non-profit organization under the laws of the State of Oklahoma on July 31, 1969. The organization is affiliated with United Way Worldwide. The mission of United Way of Norman, Inc. is to act as a fund-raising agent for social agencies serving the Norman, Oklahoma area to assist those agencies in the effective planning and execution of the social services provided to the community.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of United Way of Norman, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

Basis of Presentation

Financial statements presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, United Way of Norman, Inc. is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and may be designated for specific purposes by the Board of Directors.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the

stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

There were no net assets with perpetual donor restrictions held during the years ended June 30, 2024.

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank accounts, petty cash, and all short-term investments with original maturities of three months or less.

Property and Equipment

Acquisitions of property and equipment greater than \$500 are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the life of the equipment, which varies from 5-10 years.

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

As allowed by the standards, management has elected the practical expedient to exclude short-term leases, those leases with a term of twelve months or less. Management has also elected the practical expedient to not separate lease and non-lease components for all leases and to use the risk-free rate as of the commencement date of the lease as the discount rate. Management has elected to use \$500 as a minimum threshold to record right-of-use (ROU) assets. Any lease that would result in a ROU asset of less than \$500 will be expensed as payments are made.

Operating leases are included in operating lease ROU assets, other current liabilities, and operating lease liability in the statements of financial position.

Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease. Management takes these options into account when recording ROU assets and liabilities when it is reasonably certain that the option will or will not be exercised. Lease expense for short-term lease payments will be recognized on the straight-line basis over the term of the lease.

Revenue Recognition

Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If restrictions on net assets with donor restrictions are met in the reporting period, they are reported as unrestricted support. The Organization uses restricted funds prior to the use of unrestricted funds when both are available for the same purpose.

As the majority of the Organization's income is derived from contributions, the Organization does not typically have performance obligations related to contracts with customers.

The Organization does not imply time restrictions on gifts of long-lived assets. In the absence of explicit donor stipulation as to how long an asset must be held, the Organization releases any purpose restrictions when the asset is placed in service for the use stipulated by the donor.

Grant revenues are recognized in revenue when earned based on performing conditional requirements as stated in the related grant agreement, if any.

Revenues from contracts with customers are recognized as the contractual performance obligations are satisfied. The Organization's contract income for the year ended June 30, 2024, consisted of services provided to the City of Norman to recommend recipients of a portion of the funds that the City received from the American Rescue Plan Act of 2021. There were no contract income receivables at June 30, 2024.

Contributed Services and Materials

Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would typically be purchased if not provided by donation. Donated services received from unpaid volunteers assisting the Organization in its programs do not typically meet the criteria for recognition.

Donated materials are recorded at their fair value at the date of the gift. The Organization utilizes donated materials primarily for fundraising and programs and has a policy to monetize contributed nonfinancial assets such as equity securities.

Functional Allocation of Expenses

United Way of Norman, Inc. allocates its expenses on a functional basis among its program activities, fund-raising activities, and support services. Expenses and support services that can be identified with a specific program are allocated directly to the program. Expenses that benefit multiple programs are allocated based on an analysis of the relevant amount of time expended on each function.

Advertising Expense

All advertising costs, which totaled \$6,004 for the year ending June 30, 2024, are expensed as incurred or the first time the advertising takes place. The advertising costs are included in public relations and marketing expense in the statement of functional expenses.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)(1) and qualifies for deductible contributions. No provision for federal or state income taxes has been recorded. There was no interest or penalties to the Internal Revenue Service included in these financial statements. The Organization's tax returns are generally subject to examination by the Internal Revenue Service and the State of Oklahoma for a period of three years from the date they are to be filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The allowance for uncollectible pledges is a significant estimate. The determination of the balance in this account is an estimate based on United Way's historical experience, review of significant account balances, and expectations relative to current economic conditions. Uncollected pledges in excess of the allowance for uncollectible pledges are written off in the following fiscal year.

New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to this guidance would be trade accounts receivable, if any.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Date of Management's Review

Subsequent events have been evaluated through the issuance date of the report on the financial statement.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2024</u>
Cash and cash equivalents	\$ 1,406,693
Pledges receivable, net	<u>493,894</u>
Total Financial Assets	1,900,587
Less: Amounts not available to be used within one year:	
Restricted by donors for purpose	(94,997)
Less: Amounts not available without Board approval:	
Board-designated net assets	<u>(715,724)</u>
Financial Assets available to meet general expenditures over the next 12 months	<u>\$ 1,089,866</u>

Except as noted above, none of the Organization's financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The pledges receivable balances are subject to implied time restrictions but are expected to be collected within one year.

As part of their liquidity management plan, the Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in interest-bearing, fully-insured financial instruments.

The Board of Directors has established a 4-month operating reserve going forward, approximately \$560,000. Also, in the event of unanticipated liquidity needs, the Board can vote to release any Board designated funds to be used for operating purposes. The Organization intends to spend these funds only for contingency purposes as identified in Note 7 rather than for general expenditures.

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2024

Note 4 - Pledges Receivable

Pledges receivable and changes in the allowance for uncollectible amounts during the year ended June 30, 2024, are summarized as follows:

	<u>2024</u>
Total pledges receivable	\$ 588,030
Allowance for uncollectible accounts	<u>(94,136)</u>
Net pledges receivable	<u>\$ 493,894</u>

Pledges receivable are due as follows:

	<u>2024</u>
Due within one year	<u>\$ 588,030</u>

Note 5 - Property and Equipment

Property and equipment at June 30, 2024, consists of the following:

	<u>2024</u>
Furniture and Equipment	\$ 63,481
Lease hold Improvements	60,377
Less: Accumulated Depreciation	<u>(69,305)</u>
Total Property and Equipment	<u>\$ 54,553</u>

Note 6 - Campaign Allocations Payable

As a part of the annual United Way campaign, all donors have the choice of designating directly to agencies. The Campaign Allocation Payable to these recipient agencies is \$920,289 as of June 30, 2024.

The allocation payable also includes donor designations to specific agencies of \$172,058 as of June 30, 2024. United Way does not have title or ownership of these designated assets, nor do they have the right of variance and, as such, acts as an agent for the donors. Designated pledges are paid out equally over 12 months to the designated agencies once collected.

Note 7 - Net Assets Without Donor Restrictions

Included in net assets without donor restrictions are designations by the board of directors for contingencies, supplemental funding, emergency funding, new agencies, and capital improvements. The contingency funds are maintained to offset the effects of a possible future shortfall in an annual campaign. Emergency funds are set aside to make additional appropriations in emergency situations. The Council impact funds are designated for funding new agencies by supplementing campaign achievement.

Net assets without donor restrictions at June 30, 2024, are comprised of the following:

Net Assets Without Donor Restrictions:	<u>2024</u>
Contingencies	\$ 558,666
Emergency	5,000
ARPA funds	144,160
Council impact	7,898
Undesignated	<u>174,924</u>
Total Net Assets Without Donor Restrictions	<u>\$ 890,648</u>

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2024

Note 8 - Net Assets With Donor Restrictions

The amounts included in the temporarily restricted net assets at June 30, 2024, are as follows:

Purpose Restrictions:	<u>2024</u>
Community outreach – tool box	\$ 535
Development fund	7,080
School supplies	13,653
Campaign sponsor	10,400
Day of caring	43,441
Financial Alliance	7,167
UWW Grant	3,842
Other	<u>8,879</u>
Total Net Assets With Donor Restrictions	<u>\$ 94,997</u>

Net assets were released from donor restrictions in 2024, by incurring expenses specified by donors as follows:

Purpose Restrictions Released:	<u>2024</u>
School supplies	\$ 24,156
Campaign sponsor	49,076
Financial Alliance	1,552
UWW Grant	1,790
Development	418
Other	<u>8,659</u>
Total Net Assets With Donor Restrictions	<u>\$ 85,651</u>

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2024

Note 9 - In-Kind Donations

In-kind donations received by the Organization for the years ended June 30, 2024, are as follows:

<u>Donated Asset</u>	<u>Usage</u>	<u>2024</u>
Auction items	Resource Development	\$ 63,071
Professional services	Tax Preparation	<u>3,500</u>
		<u>\$ 66,571</u>

All in-kind donations received by the Organization for the years ended June 30, 2024, were considered without donor restrictions and were able to be used by the Organization as determined by the board of directors and management. The fair value of each asset received was provided by the donor or was estimated based on similar products or services.

Note 10 - Operating Lease

United Way of Norman, Inc. had a lease agreement for office space, which was accounted for as an operating lease.

The building lease agreement has a lease term of ten years starting July 1, 2023, with a maturity date of June 30, 2033. Monthly lease expense is \$2,000 beginning July 2023 through June 2028 and \$2,200 beginning July 2028 through June 2033.

The following summarized the line items in the statement of net assets:

<u>Operating Lease</u>	<u>2024</u>
Operating right-of-use Building	\$ 196,181
Amortization of right-of-use asset	<u>(15,516)</u>
Total Operating lease right-of-use assets, net	<u>\$ 180,665</u>
Operating lease current portion	\$ 15,072
Operating lease liability	<u>166,793</u>
Total operating lease liabilities	<u>\$ 181,865</u>

United Way of Norman, Inc.
Notes to Financial Statements
June 30, 2024

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2024:

Weighted average remaining lease term of operating lease (months)	108
Weighted average discount rate	5.00%

Future minimum annual lease payments are as follows:

2025	\$ 24,000
2026	24,000
2027	24,000
2028	24,000
2029	26,400
Thereafter	<u>105,600</u>
Total lease payments	228,000
Less: interest	<u>46,135</u>
Present value of lease liability	<u>\$ 181,865</u>

Other lease information for the year ended June 30, 2024:

Operating lease expense	<u>\$ 25,200</u>
Operating cash flows from operating leases	<u>\$ 24,000</u>

Note 11 - Concentrations

United Way of Norman, Inc. receives contributions from individuals and corporations in the Norman and Southern Cleveland County area. The loss of one or more of the major contributors could cause an impact in operations.

United Way of Norman, Inc. maintains cash balances at various financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000.

At June 30, 2024, the Organization had a total of approximately \$35,000 of uninsured cash. The Organization believes it is not exposed to any significant credit risk on its cash balances.

During the year ended June 30, 2024, the Organization received \$1,157,000 of Coronavirus State and Local Fiscal Recovery Funds. This was a one-time grant from Cleveland County, and substantially all the funds were spent in accordance with the grant restrictions during the year.

Note 12 - Retirement Fund

Effective January 1, 1993, the Organization established a Simplified Employee Pension Plan using Individual Retirement Accounts. Employees are eligible for participation upon attaining age 21, earning compensation of \$450 per year and performing services for the employer in at least 2 years of the preceding 5 years. The Organization contributes five percent of the base salary for each eligible employee.

The contributions made to the plans by the Organization for the period ended June 30, 2024, totaled \$14,484.

MICHAEL W. GREEN

Certified Public Accountant

827 WEST LOCUST STREET

STILWELL, OK 74960

918-696-6298

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
United Way of Norman, Inc.
Norman, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Norman, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Regards,

A handwritten signature in black ink, appearing to read "Michael W. Green". The signature is stylized and cursive.

Michael W. Green, CPA
Stilwell, Oklahoma
March 25, 2025

MICHAEL W. GREEN

Certified Public Accountant

827 WEST LOCUST STREET

STILWELL, OK 74960

918-696-6298

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
United Way of Norman, Inc.
Norman, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited United Way of Norman, Inc.'s (a nonprofit organization) (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the Organization and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Regards,



Michael Green, CPA
Stilwell, Oklahoma
March 25, 2025

UNITED WAY OF NORMAN, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number (ALN)</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Treasury (via Cleveland County, Oklahoma)				
Coronavirus State and Local Fiscal Recovery Funds	21.027	UJLXYLS D8JJ8	\$ 1,123,000	\$ 1,120,000
Total			<u>\$ 1,123,000</u>	<u>\$ 1,120,000</u>

Note A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note C - SUBRECIPIENTS

A portion of the federal expenditures presented in this schedule was provided to subrecipients by United Way of Norman, Inc. That portion has been identified in a separate column on the schedule of Expenditures of Federal Awards.

UNITED WAY OF NORMANM INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:
 With respect to conformity with
 Generally Accepted Accounting Principles Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? No
 Reportable condition(s) identified
 not considered to be material weaknesses? None reported
 Noncompliance material to financial statements noted? No

FEDERAL AWARDS

Internal Control over major programs:
 Material weakness(es) identified? No
 Reportable condition(s) identified
 not considered to be material weaknesses? None reported
 Type of auditor's report issued on
 compliance for major programs: Unmodified
 Any audit findings disclosed that are
 required to be reported in accordance
 with 2CFR 200.516(a) None reported

The programs tested as major programs included: CFDA#
 Coronavirus State and Local Fiscal Recovery Funds 21.027

The threshold for distinguishing type A and B programs was: \$750,000.
The auditee does not qualify as a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COST

None reported.